

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: IES UTILITIES INC.	DOCKET NO. PGA-99-61 (WRU-99-45-151)
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ORDER APPROVING ANNUAL RECONCILIATION AND GRANTING WAIVER

(Issued February 17, 2000)

On September 30, 1999, IES Utilities Inc. (IES) filed with the Utilities Board (Board) its annual purchased gas adjustment reconciliation. Pursuant to 199 IAC 19.10(7), each natural gas utility is required to file on or before October 1 of each year a reconciliation of each customer class's actual net invoiced costs for purchased gas with actual purchased gas adjustment (PGA) revenue collected.

On October 22, 1999, IES filed a request for waiver identified as WRU-99-45-151. In its request for waiver, IES asked to include storage costs in the 1999 reconciliation that were incurred outside of the current reconciliation period of September 1, 1998 through August 31, 1999. The total amount of the storage cost adjustments when netted together, as shown in a revision filed on November 10, 1999, is \$1,804,730.

On November 1, 1999, the Board issued an order docketing IES's purchased gas adjustment reconciliation filing for further investigation. The Board stated it wanted to investigate whether it is appropriate for IES to add the 1997 costs to the purchased gas adjustment and investigate other aspects of the filing. On

November 16, 1999, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a conditional objection to IES's filing. Consumer Advocate stated it believed there was insufficient support for the filing. On January 31, 2000, Consumer Advocate withdrew its objection, stating it had substantiated the proposed adjustment. Consumer Advocate stated it does not generally object to recovery of a recent prior period undercollection as long as all overcollections for any recent period are also flowed back in a reconciliation.

The Board has reviewed the calculations and will approve the reconciliation filing. The out-of-period storage cost adjustments were actual costs incurred by IES and it is appropriate to include them in the reconciliation. IES included the adjustment in the reconciliation as soon as it became aware of the errors. The waiver will be granted netting the overcollection and undercollection. Therefore, the reconciliation results in a total undercollection of \$4,304,731 for firm customers and a total overcollection of \$64,239 for interruptible customers. These totals include the net out-of-period storage cost amount of \$1,804,730.

IT IS THEREFORE ORDERED:

1. The purchased gas adjustment reconciliation, identified as PGA-99-61, filed by IES Utilities Inc. on September 30, 1999, as revised on November 10, 1999, is approved.

2. The request for waiver, identified as WRU-99-45-151, filed by IES Utilities Inc. on October 22, 1999, is granted, netting the overcollection and undercollection.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Judi K. Cooper
Executive Secretary, Deputy

/s/ Diane Munns

Dated at Des Moines, Iowa, this 17th day of February, 2000.